

Message Text

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PAGE 01 STATE 160309

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ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-07 AID-05 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 PA-02 PRS-01 DOTE-00

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DRAFTED BY: XMB:AMOHANIAN/PAD

APPROVED BY: EB/OCA/CM/BEBYRON

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EB/IFD/ODF:RSWART

EUR/CAN:DHOLTON (INFO)

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R 082110Z JUL 75

FM SECSTATE WASHDC

TO AMCONSUL TORONTO

INFO AMEMBASSY OTTAWA

UNCLAS STATE 160309

E.O. 11652: NA

TAGS: APUB, CA

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO IAC LIMITED

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 4,385,250 TO IAC LIMITED. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, FRIDAY, JULY 11, 1975.

QUOTE: EXIMBANK CREDIT OF DOLS 4,385,250 SUPPORTS DOLS 14,617,500 SALE OF U.S. JET AIRCRAFT TO CANADIAN AIRLINE

THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 4,385,250

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PAGE 02 STATE 160309

TO IAC LIMITED OF TORONTO, ONTARIO, TO HELP FINANCE THE SALE

OF TWO BOEING 737 JET AIRCRAFT AND RELATED SUPPORT EQUIPMENT COSTING DOLS 14,617,500. THE EXIMBANK CREDIT REPRESENTS 30 PERCENT OF THE TOTAL U.S. SALE AND THE BALANCE REPRESENTING 70 PERCENT OF THE U.S. COSTS WILL BE A CASH PAYMENT BY IAC LIMITED OF DOLS 10,232,250. INTEREST ON EXIMBANK'S CREDIT WILL BE 8 PERCENT PER ANNUM.

THE BOEING COMPANY OF SEATTLE, WASHINGTON, WILL MAKE DELIVERY OF THE AIRCRAFT EARLY IN 1976. PACIFIC WESTERN AIRLINES (PWA) WILL LEASE THE AIRCRAFT FROM IAC LTD. PWA OPERATES NUMEROUS DOMESTIC SCHEDULED SERVICES THROUGHOUT BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN AND THE NORTHWEST TERRITORIES AND INTERNATIONAL FLIGHTS TO SEATTLE, WASHINGTON. IT ALSO PROVIDES EXTENSIVE CHARTER AND CARGO OPERATIONS THROUGHOUT THE WORLD.

EXIMBANK'S CHAIRMAN WILLIAM J. CASEY SAID THE BANK'S FINANCIAL SUPPORT IN THIS TRANSACTION COMES AT A TIME WHEN DOMESTIC AIRCRAFT SALES ARE LOW AND AIRCRAFT MANUFACTURERS ARE PLACING MORE RELIANCE ON FOREIGN MARKETS TO MAINTAIN PRODUCTION, PROFITS AND EMPLOYMENT. MR. CASEY ALSO POINTED OUT THAT MANY SUBCONTRACTORS WHO PRODUCE COMPONENT PARTS FOR THE END PRODUCT WILL BENEFIT FROM THE TRANSACTION.

EXIMBANK'S CREDIT WILL BE REPAID IN 20 SEMIANNUAL INSTALLMENTS BEGINNING JULY 10, 1976. UNQUOTE KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE160309
Document Source: CORE
Document Unique ID: 00
Drafter: XMB:AMOHANIAN/PAD
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750236-0321
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750776/aaaacptb.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAR 2003 by ThomasVJ>; APPROVED <10 MAR 2004 by MartinML>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS RELEASE ON EXIMBANK CREDIT TO IAC LIMITED FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-
TAGS: APUB, CA
To: TORONTO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006